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6
7

8 **UNITED STATES BANKRUPTCY COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10 In Re PG&E CORPORATION,

11 Debtor.

) Case No.: 19-30088-DM
)

) **DECLARATION OF JEFFERY AND**
) **CAROLE PAUL IN SUPPORT OF**
) **MOTION FOR LEAVE TO FILE A LATE**
) **PROOF OF CLAIM**
)

) DATE: July 12, 2022

) TIME: 10:00 a.m.

) CRTRM: 17
)

) Hon. Dennis Montali
)
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1 We, JEFFREY PAUL and CAROLE PAUL declare:

2 1. This declaration is respectfully submitted in support of our motion for leave to file a late
3 proof of claim regarding the Camp Fire (the "Motion").

4 2. We are the owners of a single family residence located at 920 Pearson Rd, Paradise, CA
5 (the property). The property was our family home ever since we purchased it in March 1992. We still
6 own the property.

7 3. We worked and lived in Paradise until October 2017, when we decided to move to
8 Bangkok, Thailand on a temporary basis. We decided to move there because we were familiar with the
9 country from previous visits and we wanted to retire early. We were planing to move back to our home
10 in Paradise when we were able to qualify for medicare, but then the November 2018 Camp Fire
11 completely destroyed the property.

12 4. The property was a total loss. Before and after photos of the property are attached as
13 Exhibit A.

14 5. While we received some insurance proceeds, we were significantly under insured. Our
15 policy limits were only \$248,400 for the dwelling and other structures, but the funds we received from
16 our insurance company are estimated to be less than 1/3 of the actual costs of the rebuild. The insurance
17 policy that was in effect is attached as Exhibit B.

18 6. We would like to rebuild and move back to the property and move back to our home in
19 Paradise for our permanent retirement as we had planned, however, unless we are allowed to file a claim,
20 we won't have the funds to rebuild and return to our home.

21 7. We did not fail to file a proof of claim by the October 21, 2019, deadline to file a proof
22 of claim because we had no reason to know to do so. We never received **any** notice of the PG&E
23 bankruptcy, or any notices from PG&E or the Court. We never knew there was a deadline or that we
24 were supposed to file a claim.

25 8. We also had no constructive notice. We learned about the fire and the loss of our
26 property from our tenants and friends, but no one that we talked to told us there was any investigation
27 of PG&E or that there was going to be an investigation. There was no news coverage in Thailand about
28 the Camp Fire or the PG&E bankruptcy. This event was not a story and we had no reason to believe that

1 it was anything other than a wildfire.

2 9. The first time we found out that PG&E was held responsible was in November 2021,
3 when a friend mentioned that PG&E was found to be at fault and had gone in to bankruptcy. After
4 investigating further, we learned that we were supposed to file a proof of claim and that the deadline had
5 passed. At this point and while in Thailand, we sought to obtain counsel. We were eventually able to
6 obtain legal advice and retained present counsel to review the matter on February 28, 2022.

7 10. I understand that we were not listed as creditors and don't know why we were not listed,
8 but we were the owners of record of the property at the time of the Camp Fire (and still today).

9 We declare under penalty of perjury under the laws of the United States of America and the state
10 of California that the foregoing is true and correct, and that this declaration was executed in Bangkok,
11 Thailand.

12
13 Date: 4/3/22

By: 

Jeffrey Paul

14
15 Date: 6/03/2022

By: 

Carole Jeffrey Paul

EXHIBIT A











EXHIBIT B

DAWN D FOSTER
6445 SKYWAY
PARADISE, CA 95969



Home Insurance Renewal

JEFFERY & CAROLE PAUL
PO BOX 1237
PARADISE CA 95967-1237

8/8/2018

Dear Jeffery Paul and Carole Paul,

Thank you for choosing Farmers for your homeowners insurance needs. We appreciate the opportunity to offer continued coverage for you and your family contingent upon payment toward the premium as stated below.

Please review the renewal offer documents that have been enclosed:

- Renewal Billing Summary
- Declaration page - a summary of your insurance coverages, limits, and deductibles
- Detailed reconstruction cost estimate of your home

A summary of your premium and policy change information is shown below.

Premium at-a-glance

► **Policy Premium** **\$499.00**

Summary of changes

	Previous	Renewal
Coverage: Dwelling	\$164,000	\$184,000
Garage Type	None	1 Car Attached

If you prefer, you can log into farmers.com today to review your balance and make a payment. You can also contact us at 1-877-327-6392 or visit your agent's office with your payment.

Sincerely,

Farmers Insurance Group®

Your Farmers Policy

Policy Number: 30670-92-39
Effective: 10/1/2018 12:01 AM
Expiration: 10/1/2019 12:01 AM

Property Insured

920 Pearson Rd
Paradise, CA 95969-5235

Your Farmers Agent

Dawn D Foster
6445 Skyway
Paradise, CA 95969
(530) 876-8604
dfoster@farmersagent.com

To file a claim call
1-800-435-7764

Did you know?



Farmers Friendly Review

Contact your agent to learn more about the policy discounts, coverage options, and other product offerings that may be available to you.



Go Paperless

Save stamps, time and trees....Go Paperless! You can choose to receive your Farmers policy documents and/or billing statement electronically. Enroll at farmers.com and choose the paperless options!

farmers.com



Home Insurance Billing Summary

8/8/2018

Jeffery Paul and Carole Paul,

Your renewal balance is due by your renewal date - 10/1/2018.

You can pay now with the options displayed below or an itemized billing statement will be sent on 9/1/2018.

Your Account Summary

Current term remaining balance	\$0.00
Renewal Premium	\$499.00
Account balance	\$499.00

This is a summary and actual billed amount may change based on payment activity and future transactions. Changes made after August 8, 2018, will reflect on your statement.

Payment Options

Save time and never forget a bill with automatic payments.

Sign up at farmers.com or contact your agent to set up automatic payments.

Your payment due will be automatically debited on your due date.

Pay online. Visit us at farmers.com.

Pay by phone. Call 1-877-327-6392 or contact your agent.

Pay your agent directly. Your agent can accept payment in a variety of methods.

Home Policy



Billing Account



Your Farmers Agent

Dawn D Foster
6445 Skyway
Paradise, CA 95969
(530) 876-8604
dfoster@farmersagent.com

Billing Questions?

1-877-327-6392
7:00 am - 11:00 pm (CT) Mon - Fri
8:00 am - 8:00 pm (CT) Sat - Sun



Landlords Protector Declaration Page

Policy Number: [REDACTED]
Effective: 10/1/2018 12:01 AM
Expiration: 10/1/2019 12:01 AM
Named Insured(s): Jeffery Paul and Carole Paul
PO Box 1237
Paradise, CA 95967-1237
Property Insured: 920 Pearson Rd
Paradise, CA 95969-5235
Underwritten By: Fire Insurance Exchange
6301 Owensmouth Ave.
Woodland Hills, CA 91367

Premiums

► **Policy Premium** **\$499.00**

*also see Information on Additional Fees below

This is not a bill.

Your bill with the amount due will be mailed separately.

Description of Property

Year of Construction	Construction Type	Roof Type	Number of Units	Occupancy
1957	Frame W/ 0%-33% Masonry Veneer	Rock/Tar Gravel	1	Non-Owner Occupied

Property Coverage

Coverage	Limit
Coverage A - Dwelling	\$184,000
Extended Replacement Cost	\$46,000
Coverage B - Separate Structures	\$18,400
Building Ordinance or Law	10%

Coverage	Limit
Coverage C - Personal Property	\$9,200
Coverage D - Loss of Rents	Covered

Liability Coverage

Coverage	Limit
Coverage E - Business Liability	\$1,000,000
Personal Injury	Covered

Coverage	Limit
Coverage F - Medical Payments To Others	\$1,000

Additional Coverage

Coverage	Limit
Terrorist Risk Coverage	Covered

Deductible

	Deductible
Applicable to each covered loss	\$2,500

Declaration Page (continued)

Discounts Applied to Policy

Discount Type

Experience Rating Plan

Policy and Endorsements

This section lists the policy form number and any applicable endorsements that make up your insurance contract. Any endorsements that you have purchased to extend coverage on your policy are also listed in the coverages section of this declarations document: 56-5117 1st ed.; CA039 1st ed.; CA046 1st ed.; CA123 1st ed.; E6044 4th ed.; E6046 2nd ed.; E6074 1st ed.; H6215 3rd ed.; J6025 1st ed.; J6200 4th ed.; J6800 1st ed.; J6881 1st ed.; J7037 1st ed.; S9049 4th ed.; 25-8531 10-12

Other Information

- Please contact your Farmers[®] agent for a free Farmers Friendly Review[®] so that you can ensure that your family is properly protected. Your agent can explain all of the policy discounts/credits, coverage options and our various other product offerings that may be available to you.
- The attorney-in-fact (AIF) or management fee for your renewed policy will never exceed 25% of the policy's premiums and will be paid out of the premiums. You may wish to consider this information in deciding whether to accept or decline this offer to renew your policy.
- This policy includes 10% Building Ordinance coverage (calculated as a percentage of coverage A or B) as applied per the policy.
- The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.
- Ask your Farmers[®] agent about flood insurance.

*Information on Additional Fees

The "Fees" stated in the "Premium/Fees" section on the front apply on a per-policy, not an account basis. The following additional fees also apply:

- 1. Service Charge per installment** (In consideration of our agreement to allow you to pay in installments):
 - For Recurring Electronic Funds Transfer (EFT) and fully enrolled online billing (paperless): **\$0.00** (applied per account)
 - For other Recurring EFT plans: **\$0.00** (applied per account)
 - For all other payment plans: **\$0.00** (applied per account)
- 2. Late Fee: \$0.00** (applied per account)
- 3. Returned Payment Charge: \$0.00** (applied per check, electronic transaction, or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account)
- 4. Reinstatement Fee: \$25.00** (applied per policy)

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

If this account is for more than one policy, changes in these fees are not effective until the revised fee information is provided for each policy.

Countersignature



Authorized Representative

Policy Notices

California Residential Property Insurance Disclosure

Policy Number: 30670-92-39

Insured's Name: Jeffery Paul and Carole Paul

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

Primary Forms of Residential Dwellings Coverage

You have purchased the coverage(s) checked below. Note: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

- ☐ **Actual Cash Value Coverage** pays the costs to repair the damaged dwelling minus a deduction for physical depreciation. If the dwelling is completely destroyed, this coverage pays the fair market value of the dwelling at time of loss. In either case, coverage only pays for costs up to the limits specified in your policy.
- ☐ **Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.
- ☒ **Extended Replacement Cost Coverage** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.
- ☐ **Guaranteed Replacement Cost Coverage** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.
- ☒ **Building Code Upgrade Coverage**, also called Ordinance and Law coverage, is an important option that covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

Read Your Policy and Policy Declarations Page Carefully: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

Information You Should Know About Residential Dwelling Insurance

Avoid Being Underinsured: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

Policy Notices (continued)

The Residential Dwelling Coverage Limit: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being undersinsured.

Demand Surge: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

Changes to Property: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

Exclusions: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

Contents (Personal Property) Coverage Disclosure:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable, such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and

Policy Notices (continued)

around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

Consumer Assistance

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

Insured's Signature

25-2531 4-11

California Residential Property Insurance Bill of Rights

A consumer is entitled to receive information regarding homeowner's insurance. The following is a limited overview of information that your insurance company can provide:

- The insurance company's customer service telephone number for underwriting, rating, and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- An explanation of how your policy limits were established.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Settlement Practices Regulations.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

This insurer reports claim information to one or more claims information databases. The claim information is used to furnish loss history reports to insurers. If you are interested in obtaining a report from a claims information database, you may do so by contacting:

A-PLUS™ a division of ISO Services, Inc.

(800) 709-8842

<http://www.verisk.com/insurance/products/order-an-a-plus-loss-history-report.html>

LexisNexis Consumer Center

(800) 456-6004

www.consumerdisclosure.com

A consumer is also entitled to select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy. The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer

Policy Notices (continued)

information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

25-2563 8-17

Did You Know?

We provide this handout to let you know about discounts and surcharges that may affect your insurance premium, depending on the type of policy you have. A discount means you pay less. A surcharge means you pay more. This is for your information only and is not an offer of insurance or part of your policy.

Discounts - Here are some ways to get a discount on your premium:

- Go three years without a "qualified" loss. This is a sizable discount.
To find out what "qualified" means, see below. Call your Farmers[®] agent to find out if you qualify for the discount and how much it is.
- Be a non-smoker.
Applies when everyone in your household has not smoked tobacco products for at least two years.
- Be 50 years old or older.
Applies when the oldest named insured is age 50 or older.
- Have certain types of protective devices installed in your house.
This applies, with certain restrictions, to automatic sprinkler systems and alarms for fire, smoke, and burglar intrusion. Please call your Farmers agent for details.
- Buy a newly constructed house or renovate your old one.
Applies when your home was built or renovated by a qualified contractor within the last 7 calendar years.
- Complete a specified interior inspection of the dwelling.
- Have your life and auto policies with us.
Applies, with certain restrictions, when a qualifying Auto or Life policy is issued by a member company of the Farmers Insurance Group of Companies[®]. Your Farmers[®] agent can help you with this.

Surcharges - The following describes when you could pay a higher premium:

- You've had a qualified loss in the past three years (we explain "qualified" below).
Qualified losses will be surcharged for three years (on a per claim basis). We remove the surcharge on the first renewal date after the three-year anniversary of the loss.

Do you have questions? Would you like a detailed explanation of any of these discounts? If yes, please call your Farmers[®] agent.

Qualified Losses

In the context of discounts and surcharges, damages paid for certain types of losses are "qualified losses." The simplest way to explain what is a qualified loss is to list what it isn't: any loss paid under any property policy resulting from one of the causes of loss listed below is not a qualified loss. In other words, any of the following losses does not count against you when it comes to discounts or surcharges.

Losses paid under any property policies resulting from any of the following causes of loss do not affect discounts or surcharges:

- Wind, hail, lightning, or other weather-related loss
- Earthquake
- Loss associated with a catastrophic event, as identified by the Farmers National Catastrophe Claims Center.

Policy Notices (continued)

- Loss in which the net paid amount does not exceed \$500.
- Losses paid under the Residence Glass Endorsement (E6154), provided the loss does not exceed your policy deductible at the time of loss.
- Additional living expenses (ALE) paid only under Prohibited Use coverage, or similar forced evacuation provisions under any insurance policy.
- Loss paid under the Identity Fraud Expense Coverage Endorsement (H4140)
- Loss paid under the Animal Collision Coverage Endorsement (E6144)
- Losses that occurred on different residential policy types.

For example, we do not count losses on a policy for a residence you own and occupy when the chargeable loss was against a policy for a residence you did not occupy, but rented or leased to another party. Similarly, we do not count losses on a policy for a residence you rent or lease to another party, when the chargeable loss was against a policy for a residence you owned and also occupied.

- Subrogated* losses or losses that have been assigned for possible subrogation, as long as none of the following applies . . .

It is determined that you were at fault; or

You are found to have been negligent; or

You did not assist us in the processing of the claim (by providing requested information, for example).

*Subrogation is defined as "substituting one person for another." When an insurance company pays the insured for a loss for which another party is responsible, the company may "subrogate" and take over the insured's right to collect from that party.

We understand this information about "qualified losses" is somewhat technical in nature. Please call your Farmers[®] agent if you have questions.

25-2574 10-15

Policy Notices (continued)

Thank you for choosing Farmers®! Our commitment to you has never been stronger. With a new benefit that is a part of your policy, Farmers® is now making it possible for you to replace and repair your property at a discount.

You can use this new benefit to help prevent losses.

Now, you can prevent losses by replacing your old, worn out property before you suffer a loss. Take advantage of discounts through the additional benefits program. It's Farmers® way of helping you to replace your personal property and update the appliances in your home at a reduced price.

Access these special negotiated discounts at www.myfarmersdiscounts.com.



25-6156 6-11

Experience Rating Plan Disclosure Notice

California insurance regulations require us to let you know when we use a rating plan that takes your property loss history with any insurer into account. Farmers® uses an experience rating plan that works like this:

- Households that had no qualified loss in the past three years get a claims-free discount.
- Households that had a qualified loss in the past three years pay a higher premium. The amount added to the premium is based on the number of qualified losses in the past three years.

Definition of Qualified Loss

A qualified loss is a loss paid under any policy for damages resulting from any cause of loss *except* the ones listed here:

- Wind, Hail, Lightning or other Weather-related loss
- Earthquake

Policy Notices (continued)

- Loss associated with a catastrophic event, as identified by the Farmers National Catastrophe Claims Center.
- Loss in which the net paid amount does not exceed \$500.
- Losses paid under the Residence Glass Endorsement (E6154), provided the loss does not exceed your policy deductible at the time of loss.
- Additional living expenses (ALE) paid only under Prohibited Use coverage, or similar forced evacuation provisions under any insurance policy.
- Loss paid under the Identity Fraud Expense Coverage Endorsement (H4140)
- Loss paid under the Animal Collision Coverage Endorsement (E6144)
- Losses that occurred on different residential policy types.

For example, we do not count losses on a policy for a residence you own and occupy when the chargeable loss was against a policy for a residence you did not occupy, but rented or leased to another party. Similarly, we do not count losses on a policy for a residence you rent or lease to another party, when the chargeable loss was against a policy for a residence you owned and also occupied.

- Subrogated Losses

A loss is subrogated when we pay the insured and then attempt to collect from the responsible party. If you pay a higher premium because of a paid loss that we later determine is eligible for subrogation, we will remove the surcharge or reinstate the claims-free discount, and then reimburse you for the extra premium you may have paid because of the surcharge or the loss of the claims-free discount.

A subrogated loss could be closed because you are found to be negligent or at fault, or because you fail to cooperate with the claims representative. If this happens, a surcharge will be charged or you will lose the claims-free discount, whichever applies.

If you have any questions about the loss history information provided above or the experience-rating plan, please contact your Farmers[®] agent.

25-7800 7-06

Notice of Information Practices California

Why did we send you this notice?

The State of California requires all insurance companies to tell customers about their information practices. Information practices include things companies do to gather and share information about customers. Insurance companies need information to make decisions. They make all sorts of day-to-day decisions: who to insure, how much to charge, how to handle claims, and others.

What are your rights?

Our information practices extend to applicants and policyholders (past and present). State and federal laws give you certain rights when you take part in transactions having to do with insurance for yourself, your family, or your household.

We send our customers a notice called the "Farmers Privacy Notice." The Farmers Privacy Notice does not limit any rights you may have - as a consumer, claimant, or beneficiary. Your state gives you additional protections. They are explained in this notice.

How do we collect the information?

You give us most of the information we need when you apply for insurance. Much of it is made up of common, practical facts: your employment information, your driving record, your age, where you live, and other things like that. Many times, we need more

Policy Notices (continued)

information. Or we may need to verify information you've given us. When that happens, we normally ask for a report from an outside source. That source can be a consumer reporting agency or an insurance support organization. Both provide information in the form of consumer reports. Most insurance companies use these; it's a common industry practice.

Sometimes one of these outside sources needs to gather information before they can prepare an investigative consumer report. This could be done as part of a fraud investigation, for example. They might then contact you, another adult member of your household, or a neighbor by phone or in person. If this happens, you can, as the Named Insured, ask us to interview you or your spouse as well. We will make every effort to honor your request.

What types of information do we collect?

Auto - While taking your application for insurance and to service policies covering your personal vehicles, we may obtain information about

- How you use your vehicle(s), including annual mileage
- Age, personal habits, and characteristics of drivers
- Credit information
- History of accidents, driving violations, arrests or convictions, and claims
- Previous insurance experience

Property - While taking your application for insurance and to service policies covering your real and personal property, we may obtain information about

- Type of construction and square footage of dwelling
- Heating system and other physical characteristics of the property
- Care and maintenance of the property
- Credit information
- Claims history
- Previous insurance experience
- Personal habits and characteristics of the property's occupants

What do we do with the information?

We use the information we collect about you to perform insurance functions. This includes

- Underwriting and servicing your policy
- Processing claims (we may obtain information relating to health and employment)
- Investigating potential fraud
- Other activities permitted by state and federal law

Here's an example: If you ask us to set up a payment by electronic funds transfer, we may obtain financial information for a particular bank account.

We may also disclose information to other parties. The law permits us to do this without your prior authorization when the information goes, for example, to these parties:

1. Your Farmers[®] agent - to service your policy.
2. Persons who need this information to perform normal business functions for us.

Policy Notices (continued)

3. Persons conducting actuarial or research studies on our behalf.
4. Another insurance company or an insurance support organization - to perform an insurance transaction, or to detect or prevent criminal activity or fraud in connection with an insurance transaction.
5. A medical professional or medical care institution - to verify insurance coverage or benefits or to inform an individual of a medical problem the individual may not know about.
6. An insurance regulatory authority.
7. Law enforcement or other governmental authority.
8. A group policyholder - to report claims experience or conduct an audit of our operations, but only as needed to conduct the review or audit.
9. Affiliates, as permitted by law. The law allows us to share your financial information with our affiliates to market products or services to you, and does not allow customers to restrict that disclosure.
10. Persons that perform marketing services on our behalf, as permitted by law.
11. Other non-affiliated third parties, as permitted by law.
12. A party to a proposed or consummated sale, transfer, merger, or consolidation of all or part of the company underwriting your policy.

An insurance support organization that prepares a report may keep information it gathers and disclose that information to other persons, but only to the extent permitted by federal and state law.

How can you see or make corrections to your personal information?

You have these rights:

- To know what personal information about you we have in our records. That includes reports from outside sources.
- To get a copy of your personal information.
- To request that we correct, change, or remove any information you feel is incorrect.

To use these rights, you must send us a written request. Your Farmers[®] agent can give you the appropriate service center address.

If you request that we correct, change, or remove incorrect information, we'll check our records and make the changes if we can. We'll let you know in writing what we decide.

If we cannot make a change you asked for, you can file a statement. Write down the reasons you disagree with our decision. We'll include the statement in our records. That way, anyone who looks at the disputed personal information will also see your statement. From then on, if we disclose your information to another party, we'll include your statement. We will also send a copy to anyone who has gotten your personal information from us in the past two years. Just tell us who you would like us to send it to.

There are some types of information for which these rights do not apply:

- Information we collect to process an actual or anticipated claim
- Information we collect for an actual or anticipated civil or criminal proceeding
- Specific items of privileged information when an applicant or policyholder is suspected of fraud, material misrepresentation, or material nondisclosure

Policy Notices (continued)

We'll keep you informed.

As required by law, we will keep you up to date on our information practices. We reserve the right to modify our practices at any time, when permitted by law.

If you have questions about this notice, please call your Farmers® agent.

This notice is sent on behalf of the Farmers Insurance Group of Companies, whose members include, but are not limited to:

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers New Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Texas County Mutual Insurance Company, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company.

25-8531 10-12

Reconstruction Cost and Your Coverage A (Dwelling) Amount

Policy Number: 30670-92-39

This document contains important information about your insurance coverage. Please review this information carefully.

Do you think you have enough coverage?

Your policy provides \$216 per square foot to rebuild your home. (This does not include any additional amount added by extension or endorsement to your policy.)

Farmers® uses an estimating program, and information provided and /or confirmed by you to assist in calculating a reconstruction cost estimate for your home. This is an estimate, not a guarantee of reconstruction costs. You can use this estimate as a guide to help you choose the amount of coverage you want for your home. Please review this estimate to make sure the details about your home are correct. Let me know if you want to change any of those details or if there is anything unique about your home that would affect the estimate. Feel free to contact me at any time if you want to make a change to the amount for which your home is insured.

Your reconstruction cost estimate includes the estimated cost categories described at a) through e) below:

Amount for which your home is insured (Coverage A)	\$184,000
a. Cost of labor, materials, and supplies	\$135,566
b. Architect's Fees and Permits	\$7,978
c. Contractor Overhead and Profit	\$30,739
d. Demolition and Debris Removal	\$5,552
e. Other Fees and Taxes	\$4,601
Reconstruction Cost Estimate	\$184,000

Policy Notices (continued)

It's important to understand that reconstruction cost is NOT the same as the market value of your home.

Reconstruction Cost

Reconstruction cost is the amount it would cost to rebuild your home if it were destroyed. It includes the types of costs noted in categories (a through e) above. It is not what a buyer would pay for your home, or the amount of your mortgage. It does not include the value or cost of the land.

Vs.

Market Value

Market value is the price a buyer would pay to purchase the home, including the land and property, in its current condition. It takes into account changes in the housing market, and the economy. It does not take into account the cost to rebuild the home.

Do You Need Help?

As your Farmers Agent I am happy to help you with any questions you have. I can provide guidance as to the coverage options available, but I cannot choose your coverage amounts for you. Ultimately it is your responsibility to make sure you have purchased sufficient insurance coverage to rebuild your home and replace your personal property.

If you have questions about your coverage or the estimated reconstruction cost please contact my office, at (530) 876-8604. As your Farmers Agent, I am committed to providing you excellent service.

Sincerely,

Dawn D Foster

Questions to consider when you choose how much coverage you want:

- Is the square footage accurate?
- Have you remodeled your kitchen, bathrooms or any other part of your home?
- What is the overall quality of your home? (See the Quality Grade definitions later in this document.)

Information Used to Estimate the Reconstruction Cost of your Home:

Your review of this information should start with comparing your selected Coverage A amount with the Reconstruction Cost Estimate developed by the estimating program. Keep in mind that the estimate is just that, an estimate. It is not a guarantee of reconstruction costs. Again, feel free to contact me if you want to make a change to your Coverage A amount.

ZIP Code:	95969-5235	Interior Wall Cover:	Paint
Year Built:	1957	Floor Covering:	Carpet, Ceramic Tile, Sheet Vinyl
Square Footage:	850	Kitchen:	1 Custom
Style or Number of Stories:	1 Story	No. of Full Baths:	1 Custom
Dwelling Quality Grade:	Above Average	No. of Half Baths:	None
Foundation Type:	Crawlspace, Concrete Slab	No. of Rooms with Cathedral Ceilings:	None
Foundation Shape:	4-5 Corners - Square/Rectangle	No. of Rooms with Coved Ceilings:	None
Property Slope:	None (0 - 15 Degrees)	Cooling System:	Evaporative
Roof Material:	Rock/Tar Gravel	Heating System:	Elec. Base/Wall
Roof Shape or Type:	Flat	Number of Fireplaces:	1
Garage Type:	1 Car Attached/Built-In	Basement:	No
Exterior Wall Cover:			
Type of Frame:	Wood Framing		

Policy Notices (continued)

Average Wall Height: 8 feet
Interior Wall Construction Drywall
Material:

Number of Units: 1

Please note that the above information is not an all inclusive list of the individual home features that were used to develop your estimate, but they are the major contributors to the development of that estimate. Also, the features listed above may include only the predominant components but not every single component. If you desire a complete list of all the home features, including all their components, or any other information relating to your estimate, please contact me so I can provide that information. Please see below for definitions of Square Footage and Dwelling Quality Grade.

There are other coverages and/or options that may be right for you, including those that follow. Some may not be available based on your policy form and/or some may have additional underwriting requirements.

Extended Replacement Cost coverage: With this coverage and subject to its provisions, we pay to repair or replace damage from a loss covered under Coverage A up to an additional 25% or 50% of the Coverage A amount, depending on which percentage options, if any, are available in your state for your policy form. If your policy does not have this coverage, or if a higher coverage limit is available, you may consider adding or increasing this coverage for an additional premium. This coverage may provide an additional layer of protection as your policy **does not** provide Guaranteed Replacement Cost coverage.

Building Ordinance or Law coverage: Your policy has limited Building Ordinance or Law coverage to pay for costs that result from having to rebuild in compliance with updated building codes. You may be able to increase the amount of this coverage for additional premium.

Personal Property: You may also be able to purchase increased coverage for certain items of personal property. These items may include but are not limited to jewelry, watches, electronic data processing equipment, fine arts, firearms, silverware, and other collectibles.

Please contact me to discuss any of the coverages or options listed above.

Selected Definitions

Term	Definitions
Square Footage	The total square footage figure includes all floors of your home. IMPORTANT: It does NOT include any of the following: attached garage or built-in garage, carport, basement (even if fully finished), attached greenhouse, porches or decks, or any detached structures.
Dwelling Quality Grade	<p>The following "definitions" are general guidelines. Your home can have elements of more than one specific Dwelling Quality Grade. Therefore, you should determine the Quality Grade by choosing the one that comes closest to describing your home.</p> <p>Premium: Unique style and/or shape which vary from the other homes in the area. They are typically very large homes, generally at least 5,000 square feet. Vaulted ceilings (9' - 12') typically throughout. Highest grade materials used throughout (countertops, cabinets, flooring, wall coverings etc.). Contains unique features such as wall safes, built-in movie theaters, and other luxury constructions.</p> <p>Custom: These homes can be recognized by the unique style and/or shape which vary from the other homes in the area. They are typically quite large homes. Custom homes are distinguished by style and shape as well as by the finishes, though they may contain both Above Average and/or Premium quality finishes. Includes features such as highly upgraded kitchen and bath countertops, floor and wall coverings, built-in bookshelves, and wet bars.</p>

Policy Notices (continued)

Term	Definitions
	<p>Above Average: Tract style home construction with upgraded features. Home design is produced throughout the area. Many rooms, including the kitchen, bathrooms, and bedrooms have been upgraded from the standard construction design and have features that are made of higher quality materials. Typical designs include raised ceilings. Many upgraded features include the wall and floor coverings, lighting fixtures and kitchen and master bath countertops.</p> <p>Standard: Typical of common tract style home construction. Home design is produced throughout the area. Features come as part of the packaged construction design and are made of solid and quality conventional materials. Typical designs may include slightly higher ceilings with occasional vaulted ceilings. Some upgraded features but not prevalent.</p> <p>Economy: Basic home features and design. Simple construction layout and floor plan. Inexpensive fixtures and features. Lower grade, but functional, construction materials (for example: roofing, flooring, cabinets, and countertops).</p>

25-8860 1-13

California Policyholder Disclosure Notice of Terrorism Insurance Coverage

Coverage for any “certified act of terrorism” is included in your policy in accordance with the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2015.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The Terrorism Insurance Risk Program was scheduled to terminate on December 31, 2014, and was reauthorized by Congress with changes, including extending the termination date from December 31, 2014 to December 31, 2020. President Obama signed the Terrorism Risk Insurance Program Reauthorization Act of 2015 into law on January 12, 2015. Please note that because the Program was reauthorized effective January 1, 2015, coverage under you policy continued without a break and we will not rely upon the legal status of the Program to deny coverage if any “certified act of terrorism” took place between January 1, 2015 and January 12, 2015.

Policy Notices (continued)

There is no additional premium for this coverage due to the reauthorization of the Program. In the future, your premium for Program certified acts of terrorism coverage may be revised due to various factors, including but not limited to, changes in the Program that affect federal reimbursement to us in the event of losses from a certified act(s) of terrorism. The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States Government under the Act.

The Terrorism Risk Insurance Program Reauthorization Act of 2015 also made various changes to Program procedures and terminology, none of which affect the scope of coverage for certified acts of terrorism under your policy. If needed at renewal, we will update your policy with a revised endorsement relating to these changes.

25-9131 3-15



Subscription Agreement Notice

Important Notice - Please keep for your records

Subscription Agreement Notice

By payment of the policy premium, you acknowledge that you have received and read the Fire Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.

Under the Subscription Agreement, you appoint Fire Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1942. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.

We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.

Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Fire Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Fire Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Fire Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty five per centum of the Premium Deposit for the insurance provided and twenty five per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, Attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

farmers.com

Policy Notices

Important Notice About Optional Coverages

This form lists the optional coverages that Farmers® offers so you may enhance and tailor your policy. To find out if you already have an optional coverage, please refer to your Declarations Page.

There is a charge for most of the optional coverages listed on this form. For some of them, you will need to meet certain criteria that we've established before you can add them to your policy. If you're interested in adding an optional coverage that you don't have right now, please contact your Farmers agent, **Dawn D Foster** at **(530) 876-8604**.

We've included the following descriptions to give you an idea of how these features would benefit you in the event of a covered loss. These descriptions simply summarize the optional coverages. Once you purchase an optional coverage, be sure to read that coverage's endorsement form to understand all of its provisions. The language of the endorsement takes precedence over these summaries.

Association Loss Assessment - This optional coverage will cover loss assessment for an owned Condominium unit up to \$50,000. This may also be attached to a Homeowners policy to extend loss assessment coverage to a residence that the homeowner owns, but does not occupy (rental property).

Building Ordinance or Law Coverage - If your home has to be rebuilt, you may be required to comply with updated building ordinances and municipal codes. These new codes may significantly increase the cost to rebuild your home. Your policy will pay for these increased costs, up to 10% above the dwelling coverage limit. This optional coverage will cover to reduce the likelihood that you have to contribute extra funds or savings to pay for updating your home to current building code after a loss. The older your home, the more likely building ordinances or codes have been updated and you may need additional coverage.

Please visit www.farmers.com/clickable-house/house.html to explore coverage details.

Insurance is underwritten by Farmers Insurance Exchange and other affiliated insurance companies. A listing of these companies can be viewed at www.farmers.com. Not all insurers are authorized to provide insurance in all states. Coverage is not available in all states. In Texas, insurance is underwritten by Texas Farmers Insurance Company (Austin, TX), Farmers Insurance Exchange (Los Angeles, CA), or Fire Insurance Exchange (Los Angeles, CA). In Washington, insurance is underwritten by Farmers Insurance Company of Washington (Mercer Island, WA), Farmers Insurance Exchange (Los Angeles, CA), or Fire Insurance Exchange (Los Angeles, CA).

25-4761 6-12

Farmers Insurance Group of Companies®

Privacy Notice



This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

Information we collect

We collect and maintain personal information to provide you with coverage, products or services and to service your account.

We collect certain information ("nonpublic personal information") about you and the members of your household ("you") from the following sources:

- Information you provide on applications or other forms, such as your social security number, assets, income and property information;
- Information about your transactions with us, our affiliates or others, such as your policy coverage, premiums and payment history;
- Information from your visits to farmers.com or other websites we operate, use of our mobile sites and application, use of our social media sites, and interaction with our online advertisements; and
- Information we receive from a consumer reporting agency or insurance support organization, such as motor vehicle records, credit report information and claims history; and
- If you obtain a life, long-term care or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations regarding your health.

How we protect your information

We restrict access to personal information about you to individuals, such as our employees and agents, who provide you with our products and services. We require individuals with access to your customer information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about you except as described in this notice.

Information we disclose

We may disclose the nonpublic personal information we collect about you, as described above, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and to other third parties, all as permitted by law. Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will follow the privacy restrictions of that organization.

We are permitted to disclose personal health information:

- (1) to process a transaction, for instance, to determine eligibility for coverage, to process claims or to prevent fraud;
- (2) with your written authorization, and
- (3) otherwise as permitted by law.

Sharing information with affiliates

The Farmers Insurance Group® of Companies includes affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described under **Information we collect**, to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers.
- Non-financial service providers, such as management companies, attorneys-in-fact and billing companies.

We are permitted by law to share information with our affiliates about our transactions with you. In addition, we may share consumer report information, such as information from credit reports and certain application information, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

Farmers Insurance Group of Companies® Privacy Notice (continued)

Your choice

If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention, please verify that all of your Farmers policy numbers are listed and if not, please add them to the form. Once completed, mail it to the return address printed on the form. We will implement your request within a reasonable time after we receive the form.

If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.

Modifications to our privacy policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information with nonaffiliated third parties. Before we make any changes, we will provide you with a revised privacy notice and give you the opportunity to opt-out of that type of information sharing.

Website

Our website privacy notices contain additional information about website use. Please review those notices if you transmit personal information to Farmers over the Internet.

Recipients of this notice

While any policyholder may request a copy of this notice, we are providing this notice to the named policyholder residing at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder will receive this notice. You may receive more than one copy of this notice if you have more than one policy with Farmers. You also may receive notices from affiliates, other than those listed below.

More information about the federal laws

This notice is required by federal law. For more information, please visit farmers.com.

Signed

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.); Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc.; Farmers New Century Insurance Company, Farmers Group, Inc.; Farmers Reinsurance Company, Farmers Services Insurance Agency, Farmers Services Corporation, Farmers Texas County Mutual Insurance Company, Farmers Underwriters Association, Farmers Value Added, Inc.; Farmers Financial Solutions, LLC member FINRA & SIPC*; FFS Holding, LLC; Farmers Services, LLC; ZFUS Services, LLC; Leschi Life Assurance Company, FIG Holding Company, FIG Leasing Co., Inc.; Fire Underwriters Association, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Prematic Service Corporation (California), Prematic Service Corporation (Nevada), Texas Farmers Insurance Company, Farmers New World Life Insurance Company, Truck Underwriters Association, Civic Property and Casualty Company, Exact Property and Casualty Company, Neighborhood Spirit Property and Casualty Company and Farmers Life Insurance Company of New York.

The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the Farmers Insurance Group® of Companies.

* You may obtain more information about the Securities Investor Protection Corporation (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at www.sipc.org. For information about FINRA and Broker Check you may call the FINRA Broker Check hotline at (800) 289-9999 or access the FINRA website at www.finra.org.



2018 Exchange Update

Dear Fellow Fire Insurance Exchange Member:

For more than eight decades, Farmers Insurance Group[®] has provided its customers with coverage options to help them manage risk and meet their insurance needs. We strive to deliver the best value and experience to every customer we're privileged to serve. Farmers appreciates your business and looks forward to continuing to earn your confidence for many years to come.

Fire Insurance Exchange is one of the insurers comprising Farmers Insurance Group[®]. Fire Insurance Exchange along with Farmers Insurance Exchange and Truck Insurance Exchange, and their subsidiaries and affiliates, provide automobile, homeowners, personal umbrella and business owners insurance. For more information, please visit farmers.com.

Recent Developments

- Farmers Insurance[®] recently introduced HONK, a roadside assistance program that delivers an innovative experience when customers need a tow or roadside help. With HONK, customers in need can use their smartphones to transmit their real-time location to roadside service providers. HONK also enables users to access an estimated time of arrival and receive updates via text message until their roadside service provider arrives.
- 2017 was one of most significant weather catastrophe years in recent memory with hurricanes in Florida and Texas, and several major wildfires in California. The Catastrophe Response Team and Mobile Claims organization deployed state-of-the-art equipment to help assist customers, as well as arranging to have specially trained therapy dogs available for emotional support.

Community Involvement

- Farmers[®] announced plans to send hundreds of employees to Houston, Texas in 2018 to assist in rebuilding homes after Hurricane Harvey. As part our longstanding commitment to support communities impacted by a disaster, Farmers agents and employees will travel to Houston and assist in helping rebuild areas affected by the devastating hurricane.
- Farmers recently announced an extension through 2026 of our title sponsorship of the Farmers Insurance Open[®]. Held annually in San Diego, the tournament is a platform for Farmers to help Southern California organizations that support local schools and veterans.

Your Voting Rights

As a member of Fire Insurance Exchange, you have the right to vote for representatives of the Exchange Board of Governors. Attached is a proxy postcard for your vote in our 2019 Annual Meeting of Members of Fire Insurance Exchange. You may vote in person at the meeting or you may appoint a proxy to act on your behalf by executing and returning this proxy postcard. Additional information on Farmers Insurance Exchange can be found in the FAQ on the other side of this page.

Sincerely,

A handwritten signature in black ink that reads "Kenneth W. Bentley".

Kenneth W. Bentley
Chair of the Board of Governors of Fire Insurance Exchange

(Continued Next Page)

farmers.com

2018 Exchange Update (continued)

You may return this form with your premium payment, or send separately to the following address:

FIRE INSURANCE EXCHANGE
P.O. BOX 2449
Grand Rapids, MI 49501-2449

P
R
O
X
Y



01) **Marla B. Bleavins**, Los Angeles, CA
Ms. Bleavins is Deputy Executive Director and Chief Financial Officer for a large public entity in the city of Los Angeles. She oversees and has executive experience in accounting, contracts and purchasing, financial planning and analysis, debt and treasury, risk management, and human resources.

02) **Dennis J. Lorch**, Advance, MO
Mr. Lorch is a retired Farmers insurance agent and District Manger, having spent over 35 years recruiting and producing business for the Farmers organization.

03) **Stanley R. Smith**, Lake Sherwood, CA
Mr. Smith is a retired Farmers Group, Inc. executive. During his career he held positions of increasing responsibility in the areas of Operations, Strategic Planning, and Legislative and Regulatory Affairs.

Fire Insurance Exchange
Proxy for Annual Meeting of Members

DETACH AND RETURN THIS PORTION ONLY

Each policyholder is entitled to vote at the 2019 Annual Meeting of Members of Fire Insurance Exchange (the "Annual Meeting"). You may vote in person at the meeting or you may appoint a proxy to act on your behalf by executing and returning this proxy card. You may revoke your proxy at any time before it is voted at the Annual Meeting by submitting a written notice of revocation to the address on the reverser hereof or by filing a duly executing proxy bearing a later date. Your proxy will not be voted if you are present at the Annual Meeting and choose to vote in person.

Policyholders are being asked to vote upon the election of the following Class 3 Nominees to the Board of Governors of Fire Insurance Exchange. If elected, the Class 3 Nominees will serve on the Board of Governors through the 2023 Annual Meeting.

The undersigned hereby appoints Jeffrey J. Dailey and Doren E. Hohl, and each of them, with full power to act without the other and with full power of substitution, as the true and lawful attorneys and proxies of the undersigned, to attend the Annual Meeting of Members of Fire Insurance Exchange to be held at 6301 Owensmouth Avenue, Woodland Hills, California, 91367, on Monday March 18, 2019 at 10:00 A.M., and any adjournments thereof, and to vote with all powers the undersigned would possess as a member of Fire Insurance Exchange if personally present. The proxy, when properly executed, will be voted in the manner directed herein by the undersigned policyholder. If no specification is made, the proxy will be voted "For All" of the nominees listed.

THIS PROXY CARD IS VALID ONLY WITH SIGNATURE, DATE AND POLICY NUMBER.

ITEM 1. ELECTION OF GOVERNORS.

The Board of Governors recommends a vote "For All" of the Class 3 Nominees.

Class 3 Nominees:

- 01) Marla B. Bleavins 03) Stanley R. Smith
02) Dennis J. Lorch

Please select only one box:
☐ For All
☐ Withhold All
☐ For All Except

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) or name(s) of the nominee(s) for whom authority is withheld on the line below.

ITEM 2. OTHER BUSINESS. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting, or any adjournment thereof.

Signature (Please sign your name exactly as it appears on your Premium Notice) Date Policy Number (Required)

(Continued Next Page)

2018 Exchange Update (continued)

Frequently asked questions

As a member of Fire Insurance Exchange, we want you to understand the basics of the operation of an Exchange because, as you will see below, you are an owner of the Exchange.

What is an Exchange?

An Exchange is an insurance organization, which operates in most ways like any other insurance company, but with a few key differences. Fire Insurance Exchange was organized under a provision in the California Insurance Code, which allows insureds to "exchange" policies with other insureds. Because the insureds cannot practically be involved in actually issuing policies, collecting premium, paying commissions to agents, etc., they appoint a third party - called an "attorney-in-fact" (AIF) - to perform those duties on their behalf for a fee. That appointment is made through a document called a "Subscription Agreement." You were asked to sign a Subscription Agreement at the time you applied for insurance with Fire Insurance Exchange and that is how you became a member (aka subscriber).

Who owns the Exchange?

You do. Subscribers of the Exchange are owners until such time as they no longer have insurance from the Exchange. Subscribers elect a Board of Governors which supervises the financial affairs of the Exchange and the performance of the AIF in conformity with the Subscription Agreement terms.

Why is an AIF fee paid to Fire Underwriters Association (FUA)?

Under the Subscription Agreement mentioned above, members appoint FUA to perform certain of the tasks, such as policy issuance and collection of premium, which are involved in running an insurance operation. The Subscription Agreement specifies an AIF fee of 20 percent of premium, although FUA has taken less than that amount.

What is FUA?

FUA is a wholly owned subsidiary of Farmers Group, Inc. (FGI), which is part of the Zurich Insurance Group, Ltd (ZIG), a Swiss company. Neither FUA, FGI nor ZIG has any ownership interest in Fire Insurance Exchange, which is owned by its subscribers (insureds).

How was your premium dollar spent by Fire Insurance Exchange in 2017?

Your premium dollar covers Exchange costs including losses incurred, acquisition costs, taxes, license fees, the AIF fee, and any contributions to surplus. For 2017, the AIF fee was 12.5 percent of the premium dollar, which included the AIF profit of 7.06 percent of the premium dollar for that year. The results of the Fire Insurance Exchange were impacted by the large number of catastrophe losses but the company still maintained a strong capital base with surplus of \$787 million.

Can the Exchange lose money?

If premiums collected exceed claims payments and other expenses (including the fee for the AIF), then the Exchange retains those net premium earnings (as contributions to surplus). If premiums are not sufficient to cover claims and expenses, the Exchange will lose money. That's one reason it is important to build a cushion against possible future losses. The AIF does not participate in claims losses and does not enjoy any net premium earnings. Importantly, subscribers are not responsible for any losses the Exchange might suffer.

2018 Exchange Update (continued)

Where can I get more information about the Exchange?

You can go to www.farmers.com/about-us for most questions. If you have additional questions, please contact:

Subscriber Relations Office
Fire Insurance Exchange
Attn: Corporate Secretary
P.O. Box 4461
Woodland Hills, CA 91365

**YOU MAY RETURN THIS FORM WITH YOUR PREMIUM PAYMENT,
OR SEND SEPARATELY TO THE FOLLOWING ADDRESS:**

FIRE INSURANCE EXCHANGE

P.O. BOX 2449
Grand Rapids, MI 49501-2449